

No. 20267

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

SANTA ANITA MANUFACTURING CORPORATION,

Appellant and Cross-Appellee,

vs.

MAX J. LUGASH and MAXON INDUSTRIES, INC.,

Appellees and Cross-Appellants.

PETITION FOR REHEARING.

FULWIDER, PATTON, RIEBER,
LEE & UTECHT,

ROBERT W. FULWIDER,

FREDERICK E. MUELLER,

Suite 1200,
5455 Wilshire Boulevard,
Los Angeles, Calif. 90036,

*Attorneys for Appellees and
Cross-Appellants.*

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To the Honorable Stanley N. Barnes, M. Oliver Koesch, Circuit Judges, and Bruce R. Thompson, District Judges:

Max J. Lugash and Maxon Industries, Inc. petition for rehearing on the grounds that the Court overlooked controlling matters of fact and law in its Opinion dated December 6, 1966.

1. This Court has not upset any of the findings which establish that Lugash '227 meets the statutory conditions of 35 U.S.C. 101, 102 and 103. Instead, the Court applied additional conditions of patentability, the Opinion stating (page 5) :

“But in the special case of combination patents, the ‘severe test’, . . . must *also* be applied and satisfied before a combination patent can be recognized.”
(Emphasis added.)

The Patent Act of 1952 does not (1) discriminate between combination and other patents, nor (2) set up a severer test for patentability of combinations. This Court thus *adds* judicial conditions of patentability to the Patent Act of 1952, contrary to the “duty” imposed on all courts to give effect to Congress’ scheme. *Graham v. Deere*, 383 U.S. 1, 86 S. Ct. 684, 688. *Graham* explicitly rejected as incorrect such traditional non-statutory judicial tests as “new result” and “old result in a . . . more advantageous way.” This Court of Appeals, in overlooking the Supreme Court mandate to abandon non-statutory tests, is now in conflict with the Seventh Circuit, *Walt Disney Productions v. Fred A. Niles Communications*, No. 15703, decided November 9, 1966, with the Eighth Circuit, *American Infra-Red Radiant Co., Inc. et al. v. Lambert Industries, Inc., et al.*, Appeal Nos. 18054-5, 149 U.S.P.Q. 722. and with the Supreme Court.

In the case at bar, this Court did not limit the scope of its review to the determination of whether Lugash '227 and Lugash '196 satisfy the express statutory conditions and requirements for patentability as enacted by Congress in 35 U.S.C. 101, 102 and 103, as interpreted by *Graham v. Deere*, but rather superimposed conditions upon those specified by the legislature. We submit that such action was beyond the scope of judicial power, denies plaintiffs the equal protection of the patent laws, and deprives them of patent property without due process of law.

2. The opinion says, page 5, that Finding 8 is the only place reflecting the application of the "new function" test. This overlooks Finding 22, that "in Lugash '227 the parallelogram linkage lifting arms and platform have two distinct modes of cooperation, one for load bearing purposes and one for stowing purposes. This concept and any disclosure of a combination of elements for carrying the concepts into effect is completely lacking in *all* of the prior art relied on by defendant, including Narvestad, Peters and Jester." [C.T. p. 668.] Obviously, as the Finding says *all*, that includes Novotny '403.

Finding 22 has not been upset. Thus, Lugash '227 meets the "new function" test and is valid even by this Court's criteria. The Novotney yokes 8, which separate the platform from the parallelogram linkage systems, absolutely prevent those two elements from having Lugash's "distinct modes of cooperation" and from having Lugash's duality of function for load bearing and *stowing* purposes set out in Finding 22. Novotney's yokes 8, separating the platform and linkage systems, absolutely prohibit his device from *stowing* the platform as the trial court found, saying in Finding 16 that "it is mechanically *possible* to invert the platform in the said Novot-

ney device but not with substantially the same result as in plaintiffs' patent '227." [C.T. p. 666.]

The Court does not upset Findings 15-17 [C.T. p. 666] establishing Lugash '227 as a novel combination; or deny that the elements have a dual functional relationship producing the first practical stowable power loader (Opinion, p. 6, lines 17-19); or upset Findings [E.g., 18, 25, 28, C.T. pp. 666-669] which establish that the combinations actually claimed are not obvious. There being a new cooperative combination and relationship in Lugash '227, for purposes never before attained or appreciated, it is not essential to patentability that each of the elements perform a new function, *per se*. *Eibel Process v. Minnesota & Ontario Paper Co.*, 261 U.S. 45, sustained the patentability of a *machine*, all of whose elements were old, and none of which elements, *per se*, performed any new function. That case has never been overruled.

3. The Court's opinion says (page 3) that it "will not weigh the evidence *de novo* to arrive at new findings". In *partially* upsetting Finding 8, this Court has inadvertently done what it says it will not do.

When the Court's opinion says (pp. 6-7) that in Novotney '403 "the only possible way to raise or lower the lifting arms, whether the platform is extended or inverted, is with the power means", this is the way the trial court viewed '403 and not different in any way. Where the trial court and this court differ, with respect to Finding 8, is that the trial court took into consideration certain evidence which this Court has overlooked. Finding 16 states that Novotney '403, even with an invertable platform, cannot arrive at substantially the same result as Lugash '227, based on plaintiff's evidence (Appellees' Br. pp. 8, 45) that in '403, so viewed, the power means cannot "move a load platform into and out of a *stored position*" nor can the lift-

ing arms “move an inverted platform into and out of a *stored position*”, as is stated in Finding 8. The whole evidence shows that the assumed structure of Novotney '403 gives in his combination, a device that cannot be stored and that it is thus true, as found in Finding 8, that for the first time, in Lugash '227 mechanical power is effective to move the platform into the *stored position*, *i.e.*, tucked away under the bed of the trucks so as not to interfere with the normal operation of the truck. By invalidating workable Lugash '227 on the basis of even the supposed but unworkable (see Appendix) disclosure of Novotney '403, this Court overrules, *sub silentio*, its prior decision in *International Manufacturing Co. v. Landon, Inc.*, 336 F. 2d 723, 726, on which the trial court relied. [C.T. pp. 566-567.] Finding 16, in stating “nothing in Novotney '403 suggests that he intended or appreciated any inversion of a load platform over a parallelogram linkage system”, is a precise, deliberate paraphrase of language employed by this Court in *National Sponge Cushion Co. v. Rubber Corp. of Cal.*, 286 F. 2d 731, at 734, which the Court now overrules, *sub silentio*, and contrary to *Eibel Process v. Minnesota & Ontario Paper, supra*. The best that can be said of Novotney '403 with the structure assumed is that platform inversion is accidental without any recognition of or possibility of storing the device [Finding 16, C.T. p. 666].

4. The Court's Opinion, page 6, says that “Novotney showed a folding or inverted platform”. The admissions of defendant's witnesses were that Novotney does not *show* it. [Tr. pp. 483, 779, 785, 786.] The statement of platform inversion being “mechanically *possible*” in Finding 16 is based only on “argument” and inferences drawn by defendant's witnesses from the drawings of '403. [Tr. pp. 483, 779, 785, 786.] It is sheer speculation to say that the drawings of '403, which are barren of *any thing* disposed in the unexplained yoke

slots, show a hinge means permitting platform inversion. Further, to so hold is to assert an impossibility on the face of such geometry as is actually disclosed. (Appellees' Br. pp. 41, 42.) and synthesizes an inoperable device (see Appendix).

All courts agree that the presumption of validity of a patent can be overcome only by "clear and convincing proof". *Patterson-Ballagh Corp. v. Moss* (C.A. 9, 1953), 201 F. 2d 403, 406. Biased inferences of this sort, drawn by defendant's witnesses from prior patents, are rejected by the Supreme Court as falling far short of the requisite level of proof. Squarely consistent with this Court's rulings in *Pursche v. Atlas Scraper*, 300 F. 2d 467, 477, 478, the vagueness of Novotney '403 on any kind of hinge, coupled with the biased opinions of defendant's witnesses "cannot be considered substantial evidence". Such cannot reasonably amount to "clear and convincing proof" of invalidity.

5. To hold that "combination patents" are a "special case" subject to a severer test is to virtually repeal the Patent Act of 1952 with respect to the great majority of all patents. *Cf., Parks v. Booth* (1880), 102 U.S. 96, 104. The consequences extend beyond the case at bar and *Jeddeloh v. Coe, Appeal No. 20662*. We submit that the correct administration of the Patent Law in this circuit warrants a rehearing (en banc suggested) on the grounds urged above.

FULWIDER, PATTON, RIEBER,
LEE & UTECHT,
ROBERT W. FULWIDER,
FREDERICK E. MUELLER,
Attorneys for Lugash, et al.

Certificate.

I hereby certify that in my judgment the petition for rehearing is well founded and further certify that it is not interposed for delay.

FREDERICK E. MUELLER,
*Attorney for Appellees and Cross-
Appellants.*

March 19, 1940.

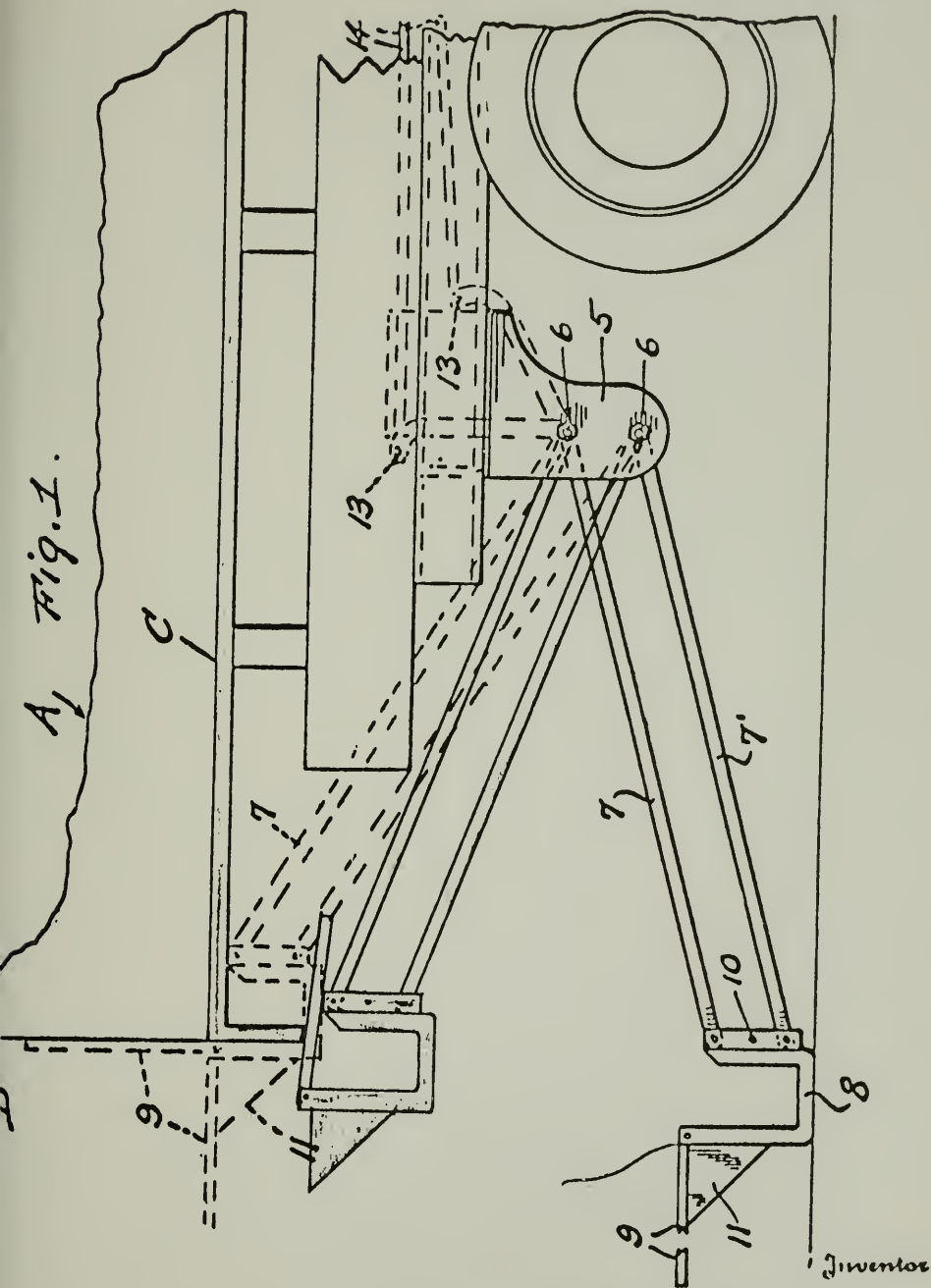
F. A. NOVOTNEY

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END GATE LOADER

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2 Sheets-Sheet 1



Frank A. Novotney

By *L. B. James*

Attorney

